

**Canadian Yearly Meeting
of the Religious Society of Friends (Quakers)**

FINANCIAL STATEMENTS

DECEMBER 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members,
Canadian Yearly Meeting:

Qualified opinion

We have audited the financial statements of Canadian Yearly Meeting of the Religious Society of Friends (Quakers) ("the Entity"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for qualified opinion

In common with many not-for-profit organizations, the Entity derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, net revenue for the year, and cash flows from operations for the years ended December 31, 2021 and 2020, current assets as at December 31, 2021 and 2020, and net assets as at January 1 and December 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OHCID LLP

OUSELEY HANVEY CLIPSHAM DEEP LLP

Licensed Public Accountants

Ottawa, Ontario

May 9, 2022



CANADIAN YEARLY MEETING
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	2021	2020
CURRENT ASSETS		
Cash	\$ 515,113	\$ 370,591
Short-term investments (note 3)	782,112	825,501
Accounts receivable	10,126	8,212
Inventory	6,345	7,345
Prepaid expense	383	-
	1,314,079	1,211,649
CAPITAL ASSETS (notes 2(c), 5)	371,840	381,484
INVESTMENTS (note 4)	2,056,269	1,782,923
	\$ 3,742,188	\$ 3,376,056
CURRENT LIABILITIES		
Accounts payable	\$ 179,244	\$ 15,584
Owed to other bodies	4,315	4,554
Deferred revenue (note 6)	71,061	65,000
	254,620	85,138
FUND BALANCES		
Balance - beginning of year	3,290,918	3,157,795
Net revenue for the year	196,650	133,123
	3,487,568	3,290,918
	\$ 3,742,188	\$ 3,376,056

Approved on behalf of Canadian Yearly Meeting:

CANADIAN YEARLY MEETING
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021

								2021	2020
	General	Camp NeeKauNis	Archives	Archives Trust	Cemeteries	Capital Assets	Joseph P Rogers	Total	Total
REVENUE									
Member Meeting contributions	\$ 165,630	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,630	\$ 166,615
Donations	80,204	21,936	3,233	-	2,250	-	-	107,623	117,945
Designated donations from other Quaker Organizations	4,615	-	-	-	-	-	-	4,615	6,785
Registration fees for sessions									
Annual gathering	3,110	-	-	-	-	-	-	3,110	-
Camp NeeKauNis	-	11,480	-	-	-	-	-	11,480	940
Online courses	2,120	-	-	-	-	-	-	2,120	-
Investment Income	57,258	1,340	-	1,628	3,066	-	-	63,292	132,968
Unrealized gains (losses) on investments	314,438	-	-	-	-	-	-	314,438	(1,766)
Grants	20,939	43,000	25,000	-	5,000	-	-	93,939	79,052
Other	7,739	-	-	-	2,350	-	-	10,089	6,241
Bequests	17,000	-	-	-	-	-	-	17,000	101,880
	673,053	77,756	28,233	1,628	12,666	-	-	793,336	610,660
EXPENSE									
Program									
Annual gathering	1,127	-	-	-	-	-	-	1,127	500
Service to Other Bodies (travel and donations)	10,248	-	-	-	-	-	-	10,248	15,570
Young Friends	1,822	-	-	-	-	-	-	1,822	1,428
Service Outreach (E&O, PubCom, F&P)	40,385	-	-	-	-	-	-	40,385	49,739
Cemetery	-	-	-	-	14,652	-	-	14,652	8,919
Archives	-	-	6,874	-	-	-	-	6,874	312
Grants to individual Friends	-	-	-	-	-	-	7,000	7,000	-
Grants to Meetings	-	-	-	-	-	-	-	-	35,000
Camp NeeKauNis									
Operating	-	61,708	-	-	-	-	-	61,708	47,756
Amortization	-	-	-	-	-	9,644	-	9,644	9,644
	53,582	61,708	6,874	-	14,652	9,644	7,000	153,460	168,868
Administration and Fundraising									
Office	436,569	-	-	1,377	-	-	-	437,946	294,487
Representative meeting	186	-	-	-	-	-	-	186	6,715
Committees, travel and registration	5,094	-	-	-	-	-	-	5,094	7,467
	495,431	61,708	6,874	1,377	14,652	9,644	7,000	596,686	477,537
NET REVENUE (EXPENSE) FOR THE YEAR	177,622	16,048	21,359	251	(1,986)	(9,644)	(7,000)	196,650	133,123
Fund Balance - Beginning of Year	2,464,917	105,448	23,163	39,806	65,302	381,484	210,798	3,290,918	3,157,795
Fund Balance - End of Year	\$ 2,642,539	\$ 121,496	\$ 44,522	\$ 40,057	\$ 63,316	\$ 371,840	\$ 203,798	\$ 3,487,568	\$ 3,290,918

CANADIAN YEARLY MEETING
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net revenue for the year	\$ 196,650	\$ 133,123
Item not affecting cash:		
Amortization of capital assets	9,644	9,644
Change in non-cash working capital items:		
Accounts receivable	(1,914)	2,869
Prepaid expenses	(383)	-
Inventory	1,000	1,000
Accounts payable	163,660	(8,700)
Deferred revenue	6,061	10,231
Amounts owed to other bodies	(239)	1,133
	374,479	149,300
FINANCING ACTIVITIES		
Increase in investments	(229,957)	(247,289)
CHANGE IN CASH FOR THE YEAR	144,522	(97,989)
Cash beginning of the year	370,591	468,580
CASH END OF YEAR	\$ 515,113	\$ 370,591

Canadian Yearly Meeting

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. NATURE OF OPERATIONS

The Canadian Yearly Meeting of the Religious Society of Friends (Quakers) is an Alternative Christianity which emphasizes the personal experience of God in one's life. The Religious Society is a charitable organization and is not subject to income tax.

These financial statements report on the activities of Canadian Yearly Meeting (CYM). They do not include Canadian Friends' Service Committee (CFSC) which is a Committee of Canadian Yearly Meeting and operates as a separate charitable organization. The financial position and operations of CFSC are summarized in note 7.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a). Fund Accounting

General Fund

The general fund accounts for revenue and expenses for general operations of CYM.

Camp fund

This fund records the general income and expenses of Camp NeeKauNis.

Archives Fund

The purpose of this fund is to support the operational activities of the Archive.

Archives Trust Fund

The purpose of this fund is to support special projects and purchases for the Archives, outside of annual operating costs.

Joseph P. Rogers Fund

This externally restricted fund is for the care of Friends who need assistance, who have been of service to Friends.

Cemeteries Fund

This fund was established for the upkeep of the cemeteries.

(b). Revenue Recognition

The Society follows the deferral method of recognizing revenue. Unrestricted amounts are recorded as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted amounts are recognized as revenue when the related expenses are incurred. Bequests and donations are recorded as revenue in the year in which they are received. Investment income includes interest and dividend income, realized gains and losses on sales of investments and unrealized gains and losses on investments measured at fair value.

Canadian Yearly Meeting

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c). Capital Assets

In 2005 the Society began to record the purchase of significant capital assets at cost. Previously, all capital assets were charged to expense at the time of purchase. \$210,678 of the capital balance represents land that was purchased for Camp NeeKauNis. \$16,500 represents Quaker Archive material, the majority of which was donated to CYM in 2007. In addition \$192,882 relates to a camp wash house constructed in 2016 and put into use in 2017.

Capital assets are initially recorded at cost. Wash house amortization is recorded on a straight-line basis over the estimated useful life of 20 years.

(d). Financial Instruments

Investments are initially recognized at fair value and are subsequently measured at the year-end fair value. Other financial instruments are initially recognized at fair value and are subsequently measured at amortized cost. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and owed to other bodies.

(e). Use of Estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

3. SHORT TERM INVESTMENTS

Short term investments consist of GIC's earning interest at rates from 0.2% to 0.7% per year, with various maturity dates in 2022.

4. INVESTMENTS

	2021	2020
Preferred Shares, measured at fair value	\$ 646,380	\$ 666,341
Equities, measured at fair value	1,341,825	1,055,556
Fixed term investments, measured at fair value	68,064	61,026
	<u>\$ 2,056,269</u>	<u>\$ 1,782,923</u>

The Society is exposed to interest rate, currency and market risk through investments held.

Canadian Yearly Meeting

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

5. CAPITAL ASSETS

	2021		2020	
	Cost	Accumulated amortization	Net	Net
Camp property	\$ 210,678	\$ -	\$ 210,678	\$ 210,678
Quaker archives	16,500	-	16,500	16,500
Camp wash house	192,882	48,220	144,662	154,306
	\$ 420,060	\$ 48,220	\$ 371,840	\$ 381,484

6. DEFERRED REVENUE

Deferred revenue consists of funding received for a future fiscal period.

	2021		2020	
Balance, beginning of year		\$ 65,000	\$ 54,769	
Less: amount recognized as revenue in the year		(45,939)	(54,769)	
Plus: amount received related to the following year		52,000	65,000	
Balance, end of year		\$ 71,061	\$ 65,000	

7. RELATED ENTITY

Canadian Friends Service Committee (CFSC) is a committee of Canadian Yearly Meeting. CFSC is the peace, social justice and international development arm of CYM and is a separately incorporated registered charity. The year end of CFSC is March 31 and the financial statements are audited by another firm of Chartered Professional Accountants and are summarized below.

	March 31 2021		March 31 2020	
Total assets	\$ 4,500,406	\$ 3,237,573		
Total liabilities	191,664	162,811		
Net assets	\$ 4,308,742	\$ 3,074,762		
Total revenue	\$ 1,779,881	\$ 208,881		
Total expense	545,901	590,057		
Net revenue (expense) for the year	\$ 1,233,980	\$ (381,176)		

Canadian Yearly Meeting

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

8. FINANCIAL INSTRUMENTS

Financial instruments of the Society consist of cash, short term investments, accounts receivable, investments, accounts payable and owed to other bodies. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest rate, currency, credit, liquidity or market risks arising from its financial instruments and the carrying amount of the financial instruments approximate their fair value.

The Society is exposed to interest rate, currency and market risk through investments held.

9. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.